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**TO: Economic Support Supervisors
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**FROM: Amy Mendel-Clemens
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Bureau of Health Care Eligibility**

BHCE/BWP OPERATIONS MEMO

No.: 03-19

Date: 03/13/2003

Non W-2 ☒ W-2 ☐ CC ☐

PRIORITY: HIGH

SUBJECT: EXPANSION OF REMEDIAL EXPENSE DEFINITION

CROSS REFERENCE: Medicaid Eligibility Management Handbook, Appendix 20.8.1

EFFECTIVE DATE: April 1, 2003

PURPOSE

This Operations Memo communicates a policy change regarding Community Based Residential Facility (CBRF), Adult Family Home (AFH), Residential Care Apartment Complex (RCAC) and all other community substitute care setting program costs (not including room and board expenses) that resulted from a recent Fair Hearing decision.

BACKGROUND

A recent Fair Hearing decision motivates this policy change, which allows CBRF, AFH and RCAC and all other community substitute care setting program costs (not including room and board expenses) to be included as a remedial expense. Remedial expenses are allowed as a countable cost in meeting a Medicaid deductible.

POLICY

Language in the Medicaid Eligibility Management Handbook, Appendix 20.8.1 (2), Countable Costs will be changed in the July 2003 Release as follows:

2. Remedial Expenses. Remedial expenses are costs for services or goods that are provided for the purpose of relieving, remedying, or reducing a medical or health condition. Some examples of remedial expenses are:
 - a. Case Management.
 - b. Day care.
 - c. Housing modifications for accessibility.
 - d. Respite care.
 - e. Supportive home care.
 - f. Transportation.
 - g. CBRF, AFH, RCAC, and all other community substitute care setting program costs not including room and board expenses.

Note ➤ Remedial expenses do not include housing or room and board expenses.

CBRF, AFH, RCAC and all other community substitute care setting program costs, not including room and board, are to be included as remedial expenses. As such, these costs shall also be counted for the purpose of meeting a Medicaid deductible. These costs may be used as an expense only as they are incurred. CBRF, AFH, RCAC and all other community substitute care setting program costs will be considered incurred as of the date that the client is billed for these expenses by the CBRF, AFH, RCAC or other community substitute care setting. The billing procedure used by the CBRF, AFH, RCAC or other community substitute care setting (one month in advance, bi-monthly, etc.) for Medicaid residents should be the same as that which is used for its non-Medicaid residents. If the medical bills were applied to a prior deductible but did not result in Medicaid certification, they can be applied to a later deductible.

In determining how much of a CBRF, AFH, RCAC or other community substitute care setting expense can be applied to meet a Medical deductible, use the facility's breakdown of the room and board versus program costs, with the program costs to be applied to the deductible.

AGENCY ACTION

Apply this policy to new applications effective April 1, 2003 and to all applicable cases that have an unmet deductible as of April 1, 2003 (e.g., those currently in a CBRF, AFH, RCAC or other community substitute care setting). Account for all cases that currently have an unmet deductible by re-determining eligibility and re-assessing remedial expenses.

To assist in identification of existing cases where this policy is applicable, a report will be created and sent to agencies via the CARES/Policy coordinator distribution list. This report should be available by the first week in April. The report will contain all cases in a deductible status (met or unmet) as of April 1, 2003 where the living arrangement is a CBRF, AFH, RCAC (living arrangement codes 23, 24 and 25 on CARES screen ANLA)

AFFECT ON OTHER PROGRAMS

If used to meet an MA deductible, these verified expenses are also allowed as excess medical expenses for FS recipients who are elderly, blind, or disabled. Refer to FSH Appendices 02.03.00, 16.04.05 and 16.04.07.

CONTACTS

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Note: Email contacts are preferred. Thank you.

DHFS/DHCF/BHCE/TR